

LEASE

THIS LEASE, made and entered into in Portland, Oregon, this 1st day of January, 1970 by and between THE CITY OF PORTLAND, OREGON, a municipal corporation organized and existing under the laws of the State of Oregon, acting by and through its The Commission of Public Docks, called "Commission", and BOISE CASCADE CORPORATION, a Delaware corporation, authorized and doing business in the State of Oregon, called "Company".

WITNESSETH:

For and in consideration of the agreements and covenants herein set forth to be kept and performed by the parties hereto, the Commission and Company agree as follows:

1. Property:

Commission leases and lets to Company, Houses 6 and 7, Pier 1, Terminal 4 consisting of approximately ^{24,100} 49,300 square feet of warehouse space, including 600 square feet of office space (hereinafter referred to as the "Premises") the location and extent of which is more particularly illustrated in Exhibit A which is attached hereto and by this reference made a part hereof, the leased area being outlined in red.

2. Term :

This lease shall commence ~~on the date of Company's occupancy but no later than~~ ¹⁹⁷¹ January 1, 1970 and shall continue for a period of six months, subject to the termination provisions of Paragraph 6. In the event that Company gives Commission notice not later than sixty days prior to the expiration of the Lease, it may be renewed subject to the terms and conditions hereof, for an additional period of six months.

3. Rental:

The monthly rental during the term of this Lease shall be the sum of \$986.00. The first month's rental shall be paid in advance on the first day of the term of this Lease and each subsequent month's rental shall be paid on the same day of each succeeding month thereafter during the term of this Lease and any renewal of the term

of this Lease. The Company may have the option to renew this agreement for a six month period by giving to the Commission written notice no later than sixty days prior to the end of the lease period. In the event of renewal, the rental shall be a sum mutually agreed to by the parties, and the renewal term is subject to the termination provision of Paragraph 6. If no agreement is reached on or before the thirty days prior to the expiration of this lease, the lease shall expire on the date provided for herein.

4. Utilities, Taxes and Maintenance:

The Company shall be responsible for the payment of all real property taxes assessed against the Premises and all utilities used or consumed in or on the leased Premises. All personal property taxes assessed against the Company shall be paid by it. Company shall maintain the Premises in the condition they now exist, and shall be responsible for the repair and restoration of the Premises required as a result of any damage thereto resulting from the negligence of the Company, its agents, employees, invitees and licensees.

Neither the Commission nor the Company shall be liable to the other for damage to the property of the other which results from direct loss by fire, lightning, wind-storm, hail, explosion, riot, attending a strike, civil commotion, aircraft, vehicles, and smoke and/or damage caused by removal of such property from the premises endangered by said perils, as such perils are defined in insurance policies then in force, even though such resulting damage may be due to the negligent act or neglect of either the Commission or the Company, their agents or employees.

5. Company's Operation:

All labor costs incurred in the operation of the premises will be borne by the Company. (3)

6. Use of the Premises:

Company shall use the Premises for all lawful purposes in connection with waterborne commerce and only incidentally, in storage of its non-waterborne commodities. The Commission shall have the right to terminate this agreement upon

sixty days written notice in the event that Commission, in its sole discretion, determines that the leased premises are necessary or desirable for use in its other operations. Company shall not store or handle any explosives or highly inflammable cargo in the Premises. Company, in its operation of Houses ~~6 and 7~~, ⁽⁶⁾ shall limit floor loading to 300 pounds per square foot with the exception of pulp which may be loaded up to a maximum of 400 pounds per square foot upon clearance from Commission. Company shall make no additions, alterations, or modifications of the Premises without first obtaining the Commission's written consent thereto and Commission's consent shall not be unreasonably withheld. Title to any such improvements or alterations so made shall, upon the termination of the lease, vest in the Commission, or, at its option, Commission may require their removal by Company.

7. Indemnification:

Company agrees to indemnify and hold harmless the City of Portland and Commission and their officers, employees and agents from and against any and all loss, liability, damage, claims, demands and actions for bodily injury, including death, or damage to property, caused by the negligence of Company, its officers, employees or agents, invitees or licensees. The Company shall maintain public liability insurance with minimum limits of \$250,000 for personal injuries or death to one individual, \$500,000 for personal injury death arising from a single occurrence, and \$250,000 for property damage arising from a single occurrence and shall, upon the Commission's request furnish the Commission with a certificate evidencing such coverage or with a copy of such policy.

8. Waiver of Subrogation:

Under the existing fire and extended coverage insurance policies of the Commission and Company, each has the right and privilege to waive subrogation rights of the underwriters on said policies. Commission and Company each covenant and

agree that so long as said privilege of waiver provision is in force in said policies, it shall, and does, waive said subrogation right and privilege against the other with respect to any peril insured against under such fire and extended coverage insurance.

9. Right of Inspection:

Commission, its employees and agents shall have the right of entry into the Premises at reasonable times upon reasonable notice for purposes of inspection of the Premises and maintaining the same in accordance herewith. Commission shall not be liable to Company for any interference with Company's operations resulting from Commission's maintenance activities.

10. Assignment:

This lease is personal to the Company and shall not be assigned nor shall the Premises be sublet or permitted to be occupied by any other person or firm without the prior written consent of the Commission (which consent shall not be unreasonably withheld.)

11. Condition of the Premises:

Commission makes no warranty whatever as to the condition of the Premises and Company accepts the Premises in their present condition.

12. Damage or destruction of the Premises:

In the event the Premises are damaged by fire, explosion or casualty or any other cause of destruction to the extent of 25% or more of the replacement value thereof, at the date of such damage, this Lease may be terminated by either party at its option as of the date of said damage within ten days of the occurrence of such fire, explosion, casualty or other destruction. If this Lease is not so cancelled it shall remain in full force and effect.

13. Quitting the Premises:

At the expiration of this Lease and any renewal extension thereof, Company will quit and deliver up the Premises to the Commission peaceably and quietly and in as good order and condition as the same are now or may hereafter be placed except for damage

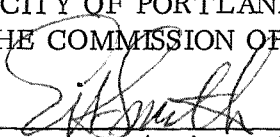
or deterioration resulting from ordinary wear and tear, the elements or casualties not solely and proximately caused by the negligence of the Company.

PROVIDED ALWAYS, and this Lease is upon the express condition (anything hereinbefore contained to the contrary notwithstanding), that if any rental payments due Commission under this Lease shall not be paid when due and shall remain unpaid for more than ten days following notice from Commission that such payments are due and unpaid or if any other of said Company's covenants or agreements herein contained are broken or failed or neglected to be done or performed or kept by it and such default shall continue for a period of 30 days after written notice thereof by the Commission without the same being cured by the Company, then, and in such cases, Commission may, at its option, immediately and without further notice or demand, enter into or upon the Premises described herein and/or take over the Premises, or any part thereof, in the name of the whole, and repossess and retake the same as of its former estate and ownership and expel Company and those claiming through, under or by it, and remove Company's effects without being taken or deemed guilty in any manner of trespass and without prejudice to any remedies which might otherwise be available for failure to make rental payments as provided for herein or other failures of Company to perform its obligations hereunder and in such event, Company will on demand pay Commission such reasonable sums as the Commission may be compelled to expend for expenses, (including reasonable attorneys' fees), in enforcing any of the covenants and agreements contained herein.

IN WITNESS WHEREOF, the parties hereto have caused this lease to be executed the day and year first above written.

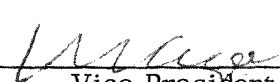
THE CITY OF PORTLAND, OREGON, acting by and through its THE COMMISSION OF PUBLIC DOCKS, "COMMISSION"

By

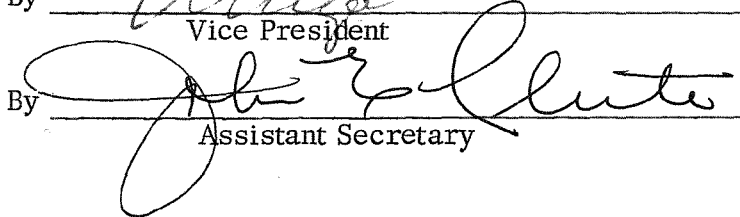

Assistant Secretary

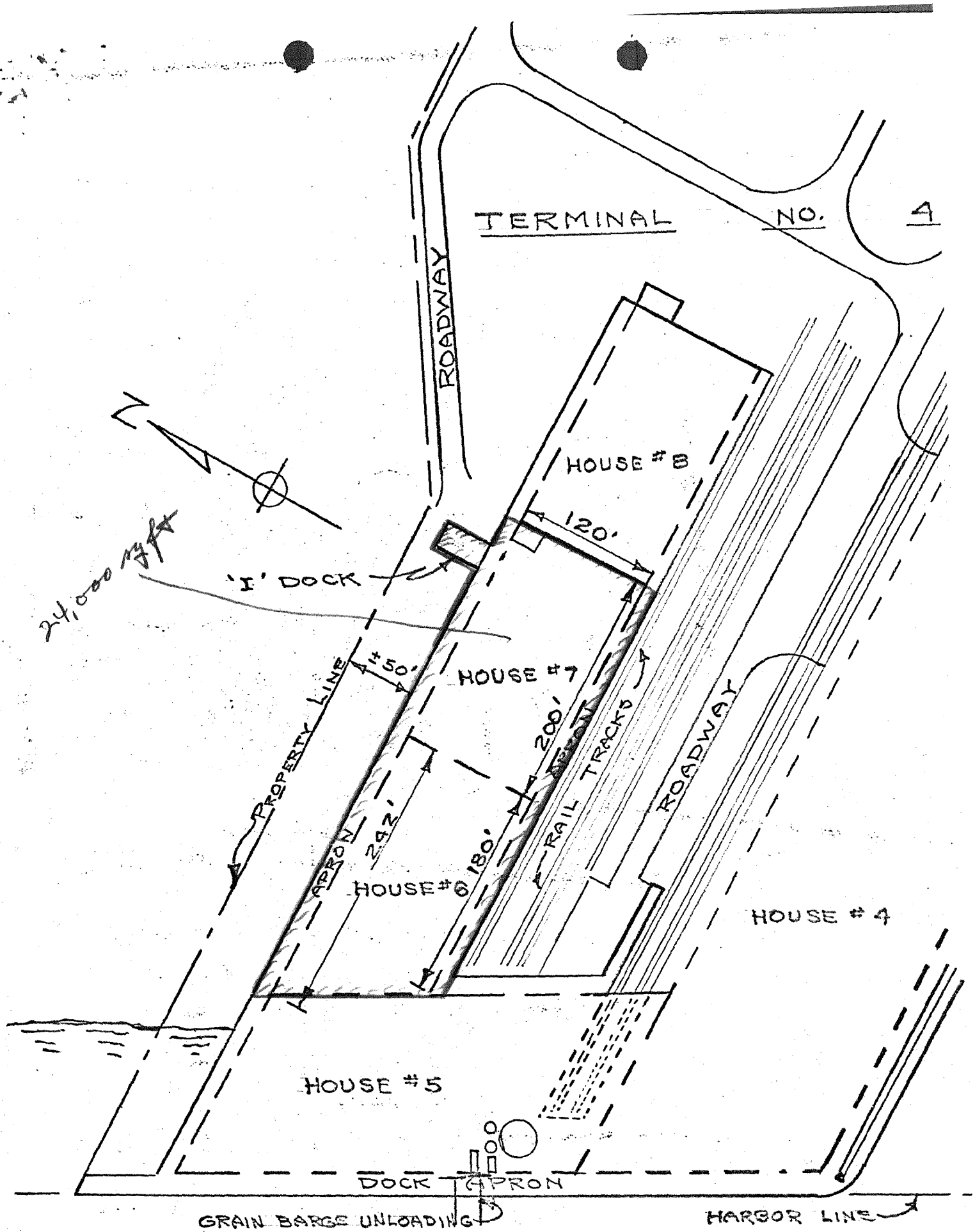
BOISE CASCADE CORPORATION, "COMPANY"

By


Vice President

By


Assistant Secretary



WILLAMETTE RIVER

EXHIBIT 'A'